| | NIO/USSR 20May 1986 | |
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| Gorbachev Adju | usting His US Gameplan | |
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Gorbachev is modestly adjusting his US gameplan because of a series of unexpected US actions adverse to Soviet interests and increased resistance to his internal plans, which have raised the risks of his US policy. In a nutshell, Washington is not playing the game according to the script and Gorbachev's room for maneuver has been crimped. Third area developments hostile to Soviet interests may be further pressuring him to play more cautiously.

Soviets goals continue to be to make new asymmetric gains in the arms control arena, reduce the Administration's broad challenge to Soviet security interests (US defense programs and the Third World), and gain breathing space for the revitalization of the Soviet economy. Gorbachev has sought to do this by recreating an atmosphere of detente which would lead the Administration to change its posture and positions because of heightened domestic and allied pressures. The Soviets hoped to generate these pressures by reengaging the US on a score of fronts and a public diplomacy campaign involving arms control teasers, the appearance of reasonability, and the appeal of a new team in the Kremlin who seem more Western and pragmatic. The plan was to use these winds to bash Washington against a shoal of summits before which the Administration would find it increasingly desirable to alter course.

Gorbachev has achieved much political consolidation during his one year in power, but this past fall he began to run into some bedrock as well as a lot of mush. Getting rid of Grishin turned out to be not so easy, and Kunayev is still in the Politburo. At the 27th Party Congress, Gorbachev got the biggest Central Committee turnover since 1961, but many of the newcomers do not have longtime ties to him or otherwise owe him special allegiance. Most important, the Party and Government are now wrestling with a number of anxiety creating issues, including the status and

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priveleges of the elite, and the degree of structural economic change that is to be made. The time for words is now past and some of the proposed actions, notwithstanding their modesty to Westerners, are creating a lot of resentment and anger. In year two of the Gorbachev era, tension is replacing excitement.

Gorbachev did not expect to have achieved already a dramatic US arms control concession, such as on SDI. This was something to be attained gradually if at all during this Administration's tenure. By now, though, he probably hoped the US would have bitten on some element of his 15 January proposal, his test ban moratorium, or come around on CDE, or in some other forum. Even without this, he probably would have continued his course and gone through with a Summer summit, his thought being that eventually the US would begin to soften. The key to such a strategy was patience and perseverence. If significant new gains couldn't be obtained from this Administration within a year or so, then Moscow would turn against it "in sorrow" and some anger, setting the stage for getting what it wants out of the next Administration.

Kto-kovo (who is manipulating whom) many old guardists are asking meanwhile; not because they have lost patience, but because they probably were initially skeptical about the strategy, are now on their haunches over domestic developments, and see a series of developments in the game which lend credence to the view that Moscow is being snookered and which can be used to undermine Gorbachev's domestic plans.

These developments by now probably are a litany comprising the UN reductions, Black Sea incursion, and Libya. US media articles relating US smugness about its hand and tactics may be adding more fuel.

At the same time, the last several months have seen a series of headline grabbers and other events detrimental to Moscow, which in their cumulation may have sucked further wind out of Gorbachev's sails: Spanish referendum on NATO, perhaps the French elections, Soviet mishandling of developments in the Philippines, the mess in the PDRY, the oil price decline, and most recently Chernobyl. At a minimum, these kinds of developments don't buy credit. Nor have Soviet policies aimed at altering China's policies, getting back in the Arab-Israel game, or making things easier in Afghanistan begun to pay off.

Gorbachev likely failed to anticipate that Washington not only might not act according to script but might write its own music. He has also had a run of bad luck. And he may have underestimated his domestic opposition. Because he is smart, though, if still inexperienced in dealing with the US, he is altering course somewhat; not dramatically, though, because like a year ago, his options remain poor. He is reassessing and adjusting because it makes good sense as concerns his policy goals and because it makes good political sense, not because he is being driven against his good judgment by a gang of know-nothings.

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Almost certainly, Gorbachev is <u>not going to break off his policy of reengagement and dialogue</u>. In the atmosphere of the past year, Moscow has watched the US defense budget come under increasing attack, assistance to the Contras be curtailed, SALT II remain in force, and US Middle East policies falter. Trade with the West has been limited by COCOM and Moscow's hard currency position, but a weakening of the former and expanded Western credits probably can be obtained if Moscow moderately behaves itself. The Soviets also now have greater hopes for improved relations with Western Europe, Japan, and China than they did two years ago, which could be undermined by breaking off the dialogue.

To keep the dialogue going, Moscow is continuing to engage in a broad range of bilaterals with the US as well as the allies, most recently sending deputy foreign minister Bessmerytnikh to Washington. Between the US and USSR, new air links have just been established, innumerable delegations are going back and forth, and a whole series of exchanges are being worked out. This bilateral safety net will allow Moscow to keep the environment tolerable enough to continue getting various benefits of reengagement. Almost certainly, moreover, Foreign Minister Shevardnadze will meet with Secretary Shultz in New York in September at the UN. Whether Shevardnadze comes to Washington probably will be up to the President.

President.

Where does Gorbachev go without a summit, or by this fall knowing there isn't going to be a summit? In essence, he will look beyond this Administration, which he surely is doing to some extent already. But more than this, he will see US intransigence on the above issues as giving the USSR some real ammunition for the first time in a while. First, he will attack the Administration hard for "forcing" the USSR to rebegin nuclear testing. This will be the preliminary round for the major event—an all-out public diplomacy, peace campaign assault following US breakout from SALT II aimed at destroying the Administration's credibility at home and with the allies. The Soviets will hope that this will cumulate with a major Republican defeat in the November elections and will influence and snowball with the early 1987 West German elections. From success on these fronts, the Kremlin would

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hope to roll on with a defeat for the Conservatives in the 1988 British elections and election of a less ideological opponent than President Reagan in 1988. This should come as no surprise as we have foreseen a probable increase in Soviet hostility toward the Administration in 1987 for some time. The difference is that the odds are increasing that it might come earlier if the Administration pursues a particular policy line.

Meanwhile, Moscow will work over Western Europe and Japan thoroughly, to make the US pay and teach the lesson that Moscow can't simply be given the back of the hand. The US will be charged with destroying the fruits of twenty years of arms control at the same time Moscow probably makes pronouncements that it is being forced to go ahead with weapons programs that will further endanger Western security. The political goal would be to use the moment to separate Western Europe and Japan from the US and dramatically strengthen hostility toward Washington.